

M.G.L. c.29, §29C – 815 CMR 4.00
LATE PAYMENT INTEREST RATES

Under the provisions of M.G.L. c.29, §29C, the interest rates for calculating late payment interest to vendors in compliance with the Office of the Comptroller's regulations governing late penalty interest, 815 CMR 4.00, appear in the table below.

The interest rates are effective on January 1 and July 1 of each year and are applicable to invoices which are not paid in accordance with the Comptroller's regulations. Departments are expected to take all steps necessary to ensure that the Commonwealth's obligations are paid on a timely basis in accordance with the Commonwealth's Bill Payment Policies.

Should payment be made late, then the formula for computation of late payment interest due shall be calculated by multiplying the **Invoice Amount** by the applicable **Daily Interest Rate** and then multiplying that amount by the **# days from Payment Due Date to Warrant Date**. The Daily Interest Rate used should be the interest rate in effect during each six month period involved.

EXAMPLE:

Invoice amount:	\$2,500.00
Payment Due Date:	September 15, 2003
Warrant Date of Payment:	October 15, 2003
Daily Interest Rate in effect on Warrant Date:	.0000548
# Days Payment Due to Warrant Date:	30 days Past Due

Calculation: **\$2,500.00 * .0000548 * 30 = \$4.11 late payment interest**

CUMULATIVE TABLE OF LATE PAYMENT INTEREST RATES

Effective Dates of Interest Rate	Interest Rate Percentage Per Annum	Daily Interest Rate (Annual Interest Rate * .01/365 days)
7/1/06-12/31/06	6.25	0.0001712
1/1/06-6/30/06	5.25	0.0001438
7/1/05-12/31/05	4.25	0.0001164
1/1/05-7/1/05	3.25	0.0000890
7/1/04-12/30/04	2.25	0.0000616
1/1/04-6/30/04	2.00	0.0000548
7/1/03-12/31/03	2.00	0.0000548
1/1/03-6/30/03	0.75	0.0000205
7/1/02-12/31/02	1.25	0.0000342
1/1/02-6/30/02	1.25	0.0000342
7/1/01-12/31/01	3.25	0.0000890
1/1/01-6/30/01	6.00	0.0001644
7/1/00-12/31/00	6.00	0.0001644
1/1/00-6/30/00	5.00	0.0001370
7/1/99-12/31/99	4.50	0.0001233

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Effective Dates of Interest Rate	Interest Rate Percentage Per Annum	Daily Interest Rate (Annual Interest Rate * .01/365 days)
1/1/99-6/30/99	4.50	0.0001233
7/1/98-12/31/98	5.00	0.0001370
1/1/98-6/30/98	5.00	0.0001370
7/1/97-12/31/97	5.00	0.0001370
1/1/97-6/30/97	5.00	0.0001370